

3 August 1953

MEMORANDUM FOR: Project Review Committee

SUBJECT : Proposed External Research Project on Economic
Development in the Eastern European Satellites

Problem:

1. To provide an unclassified analysis of the economic development in the Eastern European Satellites under Soviet control.

Discussion:

25X1A5a1

2. Office of Research and Reports has reviewed the completed chapters of the [redacted] project, "Communist Take-over and 'Economic Reshaping' of Eastern Europe," which is part [redacted] 25X1A5a1
[redacted], considers the draft, as submitted, to be of high quality, and believes that it contains information and analysis of interest and value. 25X1A5a1

[redacted]

4. This Office is in need of an up-to-date analysis of economic development of areas under Soviet control. Specifically, the Services Division is in need of an analysis of the services sector of the economy insofar as the rate and direction of growth of this sector has been affected by the industrialization program. Information is also needed on manpower (problems of creating an industrial labor force), the planning process (the Soviet role in Satellite planning), and the Satellite foreign trade structure.

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5. [redacted] and the Chief, Services Division, ORR have discussed the possibilities of [redacted] turning his attention to an analysis of economic trends in the Eastern European Satellites which will provide a useful check against Agency analyses made with classified information. It was agreed that such a study would be feasible and valuable.

6. An outline of the proposed project is attached as Tab A.

7. The project would be wholly unclassified. No revelation of classified information would be involved.

8. Members of the Economic Intelligence Committee have been fully informed of this proposed project. It has been determined that this project does not duplicate any work of the agencies represented on the Committee. Special interest in the project was expressed by the EIC representative for the Joint Chiefs of Staff. The representatives of the Departments of State, Army, Navy and Air Force expressed no particular departmental interest. The Department of State representative considered the project ambitious and expressed some doubt as to whether it could be accomplished.

[REDACTED] The
Agency monitor will be [REDACTED] Chief, Services Division,
ORR. 25X1A9a

10. Approximately twelve months will be required to complete the study.
A budget is attached as Tab B.

Recommendations: 25X1A5a1

[REDACTED]

[REDACTED]
OTTO E. GUTHE
Assistant Director
Research and Reports

25X1A

Attachments: 2

CONCURRENCE:

AD/IC

APPROVED:

DD/I